

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3705-01  
Bill No.: HB 1422  
Subject: State Attorney General; Business and Commerce; Consumer Protection;  
Merchandising Practices  
Type: Original  
Date: January 16, 2002

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**FISCAL SUMMARY**

| ESTIMATED NET EFFECT ON STATE FUNDS                                 |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2003    | FY 2004    | FY 2005    |
| None  |            |            |            |
|   |            |            |            |
| <b>Total Estimated<br/>Net Effect on <u>All</u><br/>State Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| ESTIMATED NET EFFECT ON FEDERAL FUNDS                                 |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2003    | FY 2004    | FY 2005    |
| None  |            |            |            |
|   |            |            |            |
| <b>Total Estimated<br/>Net Effect on <u>All</u><br/>Federal Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| ESTIMATED NET EFFECT ON LOCAL FUNDS |            |            |            |
|-------------------------------------|------------|------------|------------|
| FUND AFFECTED                       | FY 2003    | FY 2004    | FY 2005    |
| <b>Local Government</b>             | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 3 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of State Public Defender** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Office of State Courts Administrator** assume the proposed legislation would have no fiscal impact on the courts.

Officials from the **Office of Prosecution Services** assume the costs of the proposed legislation could be absorbed by prosecutors.

Officials from the **Office of Attorney General (AGO)** assume the costs are unknown and are dependent on the extent businesses are engaged in price gouging during a state of emergency. In response to an identical proposal from the current session (SB 857), Officials from the from the AGO assumed the costs of the proposed legislation could be absorbed within existing resources.

**Oversight** assumes assume the AGO could absorb the costs of the proposed legislation within existing resources.

| <u>FISCAL IMPACT - State Government</u> | FY 2003<br>(10 Mo.) | FY 2004    | FY 2005    |
|---|---------------------|------------|------------|
|   | <u>\$0</u>          | <u>\$0</u> | <u>\$0</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2003<br>(10 Mo.) | FY 2004    | FY 2005    |
|---|---------------------|------------|------------|
|   | <u>\$0</u>          | <u>\$0</u> | <u>\$0</u> |

### FISCAL IMPACT - Small Business

The proposal could have a fiscal impact on small businesses found guilty of price gouging during a state of emergency.

## DESCRIPTION

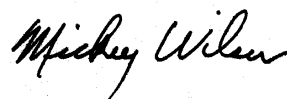
The proposed legislation would create a price gouging law. During a declared state of emergency, a person would commit price gouging if he or she advertises or charges an excessive price for necessities. A person suspected of price gouging would have an affirmative defense if he or she can provide written documentation that the price of the necessity was increased due to an increase in the cost to obtain the necessity and the price increase was beyond the person's control.

A person engaging in price gouging would be liable for three times the amount unfairly received in each transaction.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

## SOURCES OF INFORMATION

Office of Attorney General  
Office of State Courts Administrator  
Office of Prosecution Services  
Office of State Public Defender



Mickey Wilson, CPA  
Acting Director

January 16, 2002